

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 16, 1996

SUBJECT: **SB 2534 - HB 2621**

This bill, if enacted, will make dislocated workers eligible for TennCare prior to expiration of the eighteen (18) month period of COBRA coverage if continuing such coverage is a hardship. Dislocated worker is defined in the federal "Economic and Worker Adjustment Assistance Act".

The fiscal impact of this bill is estimated to increase state expenditures by \$10,602,900 of which \$3,711,000 is state funds and \$6,891,900 is federal funds. According to the Department of Labor over 15,000 workers were affected by layoffs in calendar year 1995. Assuming that fifty percent (50%) or 7,500 used TennCare coverage rather than COBRA:

50% of dislocated workers	7,500
Fiscal Year 1996-97 Capitation Fee	\$ 1,413.72
Total	\$ 10,602,900
State Share @ 35%	\$ 3,711,000
Federal Share @ 65%	\$ 6,891,900

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

SB 2534 - HB 2621

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized 'J' and 'D'.

James A. Davenport, Executive Director